

Department of the Treasury
Office of Thrift Supervision

Transmittal



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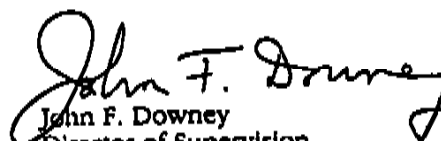
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On April 3, 1995, the Board of Governors of the Federal Reserve System (FRS) adopted a final rule implementing a change to 12 CFR 215 (Regulation O). The change took effect on April 7, 1995. Attached is a copy of the full text of the change from the *Federal Register* (Volume 60, No. 67).

Regulation O governs loans to executive officers, directors, and principal shareholders of member banks. The Office of Thrift Supervision (OTS) has incorporated Regulation O by reference at 12 CFR 563.43. The provisions of Regulation O, therefore,

apply to a savings association, its subsidiaries and insiders (directors, officers, and related interests) in the same manner and to the same extent as if the association were a bank and a member bank.

The FRS revised Regulation O to remove the board of directors' prior approval requirement on loans made to executive officers that are secured by a first lien on the executive officer's residence.


John F. Downey
Director of Supervision
Office of Thrift Supervision

Attachment